

ANNE MILGRAM
ATTORNEY GENERAL OF NEW JERSEY
Division of Law
124 Halsey Street
P.O. Box 45029
Newark, New Jersey 07101

FILED WITH THE BOARD OF
PSYCHOLOGICAL EXAMINERS
ON October 16, 2008

By: Kim D. Ringler
Deputy Attorney General
(973) 648-7454

STATE OF NEW JERSEY
DEPARTMENT OF LAW & PUBLIC SAFETY
DIVISION OF CONSUMER AFFAIRS
STATE BOARD OF PSYCHOLOGICAL EXAMINERS
Docket No:

IN THE MATTER OF THE SUSPENSION	:	
OR REVOCATION OF THE LICENSE OF	:	Administrative Action
	:	
ALVIN KRASS, PSY.D.	:	COMPLAINT
LICENSE NO. 275	:	
	:	
TO PRACTICE PSYCHOLOGY	:	
IN THE STATE OF NEW JERSEY	:	

Anne Milgram, Attorney General of New Jersey, by Kim D. Ringler, Deputy Attorney General, with offices at 124 Halsey Street, Fifth Floor, Newark, New Jersey 07101, by way of Complaint, says:

ALLEGATIONS COMMON TO ALL COUNTS

1. Complainant, Attorney General of New Jersey, is charged with enforcing the laws of the State of New Jersey pursuant to N.J.S.A. 52:17A-4(h) and is empowered to initiate administrative disciplinary proceedings against persons licensed by the Board of Psychological Examiners (the "Board") pursuant to N.J.S.A. 45:1-14,

et seq.

2. The Board is charged with the duty and responsibility of regulating the practice of psychology in the State of New Jersey pursuant to N.J.S.A. 45:14B-1, et seq.

3. Respondent, Alvin Krass, Psy.D., at all times relevant hereto and since 1967, has been licensed to practice psychology in the State of New Jersey. He has held License No. 275 since that time.

4. Initials are being used in this Complaint to protect the confidentiality of B.N., the client herein. B.N.'s identity is known to Respondent and the Board.

COUNT I
(Professional Misconduct)

1. The Allegations Common to all Counts are repeated and realleged as if set forth at length herein.

2. Beginning in the 1970's, Respondent treated B.N. for severe depression, anxiety, agoraphobic symptoms, issues arising from health crises including a diagnosis of breast cancer and a mastectomy, and family issues including spousal abuse and the suicide of her husband.

3. Between 1992 and 2001, Respondent entered into several loans with this long-term therapy client to help finance two enterprises: (a) Selective Testing Services, a research project to develop a neuropsychological screening device and (b) Key Education, Inc.

4. The loans from B.N. to Respondent were memorialized in promissory notes prepared on Respondent's letterhead. The terms provided for payment as follows:

DATE	AMOUNT	TERM	INTEREST
AUGUST 24, 1992	\$10,000	Six months with an additional six months extension	10%
January 4, 1993	\$10,000	Six months with an additional six months extension	10%
November 10, 1994	\$46,825.57	One year with and additional six months extension	2% over prime
January 10, 1994	\$10,000	Six months with an additional six months extension	2% over prime
June 30, 1995	\$40,000	One year with and additional six months extension	10%
July 31, 2000	\$5,000	One year	10%
April 23, 2001	\$5,000	180 days with an additional 120 days extension	Prime plus 2%
May 30, 2001	\$20,000	360 days renewable by mutual consent	10%

5. In addition, Respondent signed a promissory note dated August 16, 2001 reflecting the then outstanding balance due on the loans of approximately \$20,000.

6. When Respondent failed to make a scheduled payment at the

end of 2006, B.N. obtained civil legal counsel, and she lodged a complaint with the Board.

7. Respondent subsequently completed repayment of the loans to B.N. in full with interest.

8. Respondent's conduct violates the American Psychological Association's Ethical Principles of Psychologists and Code of Conduct, Standard 3.05, (A.P.A., 2002) because the lender-debtor relationship with his client B.N. could reasonably be expected to impair his objectivity and professional judgment.

9. Respondent's conduct, as described above, constitutes professional misconduct in violation of N.J.S.A. 45:1-21(h); professional misconduct in violation of N.J.S.A. 45:1-21(e); violations of N.J.A.C. 13:42-10.13(c) which prohibits continuing any treating relationship in which he has any financial interest; N.J.A.C. 13:42-10.13(d) which prohibits entering into a dual relationship with a client including any business relationship with a current client; N.J.A.C. 13:42-10.13(e) which requires a licensee to take action to terminate a conflict or dual relationship; and N.J.A.C. 13:42-10.13(f) which prohibits entering into financial arrangements with clients which are likely to impair professional judgment including loans to or from a client.

COUNT II
(Professional Misconduct)

1. The Allegations Common to all Counts and the Allegations

contained in Count I above are repeated and realleged as if set forth at length herein.

2. Respondent offset the charges for the professional psychological services he provided to B.N. against his debt from the loans received from her. This arrangement was memorialized in an accounting with entries for a period ending July 20, 1995.

3. Respondent's conduct, as described above, constitutes professional misconduct in violation of N.J.S.A. 45:1-21(h) and/or professional misconduct in violation of N.J.S.A. 45:1-21(e) and/or violations of N.J.A.C. 13:42-10.13(d) which prohibits bartering for any services provided by any current client.

WHEREFORE, Complainant, Attorney General of New Jersey, demands the entry of an Order:

- (1) Suspending or revoking Respondent's license to practice psychology, pursuant to N.J.S.A. 45:1-21;
- (2) Imposing civil penalties upon Respondent for each separate offense set forth herein, pursuant to N.J.S.A. 45:1-22(b) and/or N.J.S.A. 45:1-25;
- (3) Requiring Respondent to pay the Board's costs in this matter, including investigative costs, fees for expert witnesses, attorneys' fees and costs of hearing, including transcript costs, pursuant to N.J.S.A. 45:1-25; and
- (4) For such other and further relief as the Board

deems just and appropriate.

ANNE MILGRAM

ATTORNEY GENERAL OF NEW JERSEY

By: Kim D. Ringler
Kim D. Ringler
Deputy Attorney General

Date: October 6, 2008

ANNE MILGRAM
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FILED WITH THE BOARD OF
PSYCHOLOGICAL EXAMINERS
ON October 16, 2008

By: Kim D. Ringler
Deputy Attorney General
(973) 648-4741

STATE OF NEW JERSEY
DEPARTMENT OF LAW & PUBLIC SAFETY
DIVISION OF CONSUMER AFFAIRS
STATE BOARD OF PSYCHOLOGICAL EXAMINERS

Docket No:

IN THE MATTER OF THE SUSPENSION	:	
OR REVOCATION OF THE LICENSE OF	:	Administrative Action
	:	
ALVIN KRASS, PSY.D.	:	NOTICE OF HEARING
	:	AND NOTICE TO FILE ANSWER
LICENSE NO. 275	:	
	:	
TO PRACTICE PSYCHOLOGY	:	
IN THE STATE OF NEW JERSEY	:	

TO: I. Mark Cohen, Esq.
1 Executive Drive
Tinton Falls, NJ 07701

This matter is being opened to the New Jersey State Board of Psychological Examiners ("Board") by Administrative Complaint, copy attached, of Anne Milgram, Attorney General of New Jersey, by Kim D. Ringler, Deputy Attorney General, on notice to Respondent, ALVIN KRASS, PSY.D., seeking the suspension or revocation of the license of Respondent to practice psychology in the State of New Jersey and for such other relief as the Board may deem appropriate, pursuant

to the authority conferred upon the Board by N.J.S.A. 45:1-14, et seq. and related administrative regulations. The Board requires you to file an Answer to the charges above within thirty-five (35) days from service of the Complaint. You may file an Answer by mail to the address below.

By your Answer, you may admit or deny each allegation in the numbered paragraphs of the Complaint. If you deny only part of an allegation, you must be clear and identify which part of the allegation is true and which part of the allegation you deny. Any explanations or affirmative defenses that you wish to assert should be set forth in a separate statement.

A hearing in this case will not be necessary if: (1) You admit the allegations in the Complaint are true; or (2) Without admitting the truth to the allegations of the Complaint, you state that you will not contest the charges. Your case will then be presented to the Board for final determination of any penalty. At that time, you will have the opportunity to appear at a hearing with counsel, to offer written material or to make an oral presentation to the Board in mitigation of penalty. The Board will then determine whether your license to practice shall be suspended or revoked or whether a lesser sanction should be imposed. The Board will also consider the amount of costs and monetary penalties, if any, which should be assessed.

A denial of the Complaint will result in a formal hearing

being conducted on a date, time and place to be determined by the Board. Adjournments will not be granted except upon timely written application to the Board for good cause shown. Any expenses incurred by the Board as a result of adjournments may be assessed to you. You may appear at the hearing either in person or by counsel or both. You shall be offered the opportunity to make defense to any and all of the charges.

Failure to respond to this Notice of Hearing and Notice to File an Answer or failure to appear when notified will result in the matter being considered and decided in your absence. A decision rendered by the Board may affect your privilege to practice your licensed profession in this State.

STATE BOARD OF PSYCHOLOGICAL
EXAMINERS


J. Michael Walker, Executive Director

Dated: October 16, 2008

STATE OF NEW JERSEY
DIVISION OF CONSUMER AFFAIRS
BOARD OF PSYCHOLOGICAL EXAMINERS
P O BOX 45017
NEWARK, NJ 07101